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*To enrich lives through effective and caring service.*

July 18, 2006

**Agenda Date: August 1, 2006**

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE DIRECTOR OF INTERNAL SERVICES DEPARTMENT TO ENTER  
INTO AN INTERCONNECT AGREEMENT WITH THE CITY OF LOS ANGELES  
DEPARTMENT OF WATER AND POWER  
(ALL DISTRICTS) (3 VOTES REQUIRED FOR APPROVAL)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the approval of these actions is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).
2. Approve and authorize the Director of the Internal Services Department (ISD) or his designee to execute an agreement similar in form to the attachment with the City of Los Angeles Department of Water and Power (DWP) to interconnect the Olive View Hospital cogeneration plant to DWP's electric system.
3. Approve and authorize the Director of ISD or his designee to execute any related amendments, modifications or extensions that may be required to implement the interconnection.

**PURPOSE/JUSTIFICATION FOR RECOMMENDED ACTIONS**

The purpose of this recommended action is to request that the Director of ISD or his designee be authorized to enter into a new agreement (see attachment) to interconnect Olive View cogeneration plant with DWP's electric system thereby allowing the cogeneration plant to continue to provide the hospital's electricity, heating and cooling needs. The 20-year agreement under which Olive View currently operates will terminate on August 18, 2006.

The Olive View cogeneration plant is the primary source of electricity for Olive View hospital. DWP's electric system provides back-up electricity. The cogeneration plant

and DWP's electric system operate simultaneously (in parallel) so that electricity is always provided to the hospital in the event either source is not available. Hospital heating and cooling are provided as a by-product of the electric generation process and excess electricity generated by the County's plant is sold to DWP.

The new agreement maintains the operational requirements under which Olive View cogeneration plant operates in parallel with DWP's electric system. In particular, the new agreement provides the following:

- Responsibilities of both the County and LADWP regarding operation and maintenance of the Olive View cogeneration plant and interconnection equipment,
- Incorporation of new tariffs under which the cogeneration plant and the hospital will be billed for the interconnection, billed for electricity provided by DWP, and paid for excess electricity sold to DWP.

It is also requested that the Director of ISD or his designee be authorized to execute any related amendments, modifications or extensions that may be required to implement or maintain the interconnection of the Olive View cogeneration plant to the DWP electric system.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The continued operation of Olive View supports Goal Number 4 of the County's Strategic Plan, Fiscal Responsibility, by reducing the hospital's operating expenses and the County's overall utility expenses.

### **FISCAL IMPACT/FINANCING**

The new tariffs impacting the price for DWP electricity and the energy payment formula for excess electricity sold to DWP will have minimal impact on Olive View revenues (less than \$50,000 per year) since nearly all of the energy produced is used at the hospital and cogeneration plant.

### **FACTS AND PROVISIONS /LEGAL REQUIREMENTS**

The proposed DWP agreement has been reviewed and approved as to form by County Counsel.



**ENVIRONMENTAL DOCUMENTATION**

The approval of this agreement is exempt from CEQA pursuant to Section 15301 of the state CEQA guidelines because the services to be performed under the agreement consist of minor alterations to public facilities and/or equipment involving no expansion of existing use.

**IMPACT ON CURRENT SERVICES OR PROJECTS**

There is no impact to the current services or projects.

Respectfully submitted,

*Tam Tindall* *for*

Dave Lambertson  
Director

DL:HWC:SC:j  
Attachment  
c: Chief Administrative Officer  
Executive Officer  
County Counsel

# Attachment

## STANDARD OFFER FOR CUSTOMER GENERATION INTERCONNECTION AGREEMENTS

## LA COUNTY - LADWP CUSTOMER GENERATION INTERCONNECTION AGREEMENT

BETWEEN

LA COUNTY  
(CUSTOMER)

AND

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES



LA COUNTY – LADWP  
CUSTOMER GENERATION  
INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.	RECITALS .....	1
2.	DEFINITIONS .....	1
3.	AGREEMENT .....	3
4.	RESPONSIBILITIES OF THE CUSTOMER .....	3
5.	RESPONSIBILITIES OF LADWP .....	5
6.	METERING .....	6
7.	DISCONNECTION OF THE GENERATION FACILITY .....	7
8.	INTERCONNECTION BILLING DETERMINANTS .....	8
9.	ELECTRIC SERVICE BILLING DETERMINATIONS .....	9
10.	BILLINGS AND PAYMENTS .....	9
11.	INGRESS AND EGRESS .....	11
12.	INSURANCE .....	11
13.	INDEMNIFICATION .....	12
14.	ADMINISTRATION .....	13
15.	DEFAULT .....	14
16.	REMEDIES UPON DEFAULT .....	14
17.	FORCE MAJEURE .....	15
18.	AUTHORIZATIONS AND APPROVALS .....	15
19.	EFFECT OF SECTION HEADINGS .....	15
20.	NONWAIVER .....	15
21.	NONDEDICATION OF FACILITIES .....	16
22.	NO THIRD-PARTY BENEFICIARIES .....	16
23.	NOTICES .....	16
24.	TRANSFER OF INTEREST .....	16
25.	SEVERAL OBLIGATIONS .....	16
26.	SEVERANCE .....	17
27.	EFFECTIVE DATE AND TERM .....	17

LA COUNTY – LADWP  
CUSTOMER GENERATION  
INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
28.	GOVERNING LAW.....	17
29.	CHILD SUPPORT ASSIGNMENT ORDERS.....	17
30.	UNDERSTANDING .....	19
31.	REPRESENTATION.....	19
32.	EXHIBITS .....	19
33.	EXECUTION.....	20

ATTACHMENTS

EXHIBIT A – Customer Generation Data Sheets .....	A-1
EXHIBIT B – Single-Line Diagram and Equipment List For The LADWP Facility .....	B-1
EXHIBIT C – Monthly Charge for Operation and Maintenance Service .....	C-1
EXHIBIT D – Certification of Compliance with Child Support Obligations .....	D-1

LA COUNTY - LADWP  
CUSTOMER GENERATION  
INTERCONNECTION AGREEMENT

This Agreement is made and entered into by and between THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP), acting by and through the BOARD OF WATER AND POWER COMMISSIONERS (Board) and LA COUNTY, an LADWP customer, (Customer), sometimes referred to singularly as "Party" and collectively as "Parties", who agree as follows:

1. RECITALS: This Agreement is made with reference to the following facts, among others:
  - 1.1 Customer is currently purchasing Electric Service from LADWP at:  
OLIVE VIEW HOSPITAL  
14445 OLIVE VIEW DRIVE  
SYLMAR, CA 91342  
Electric Service at this location is being provided pursuant to the terms and conditions of the Electric Rate Ordinance No. 168436.
  - 1.2 Customer currently has, or intends to design, construct, own, operate, and maintain, at its sole risk and expense, a Generation Facility in parallel with LADWP's electric system. The Generation Facility has an installed nameplate rating of 5780 - kW. The Generation Facility is more fully described in Exhibit A of this Agreement.
  - 1.3 If it is deemed necessary by LADWP to do so after evaluating the Generation Facility specifications, LADWP will design, construct, own, operate, and maintain an LADWP Facility and make any necessary modifications to LADWP's electric system for the safe parallel operation of the Generation Facility with LADWP's electric system. Customer agrees to reimburse LADWP for all actual costs (direct and indirect) incurred in performing such work. If the LADWP Facility is constructed a description of the LADWP Facility will be attached as Exhibit B of this Agreement after construction.
2. DEFINITIONS: The definitions, terms, conditions and requirements provided in the Electric Rate Ordinance, the Electric Service Requirements, and the Rules are incorporated in and made a part of this Agreement by reference. The following



additional terms, when initially capitalized, whether in the singular or plural tense, shall mean:

- 2.1 Agreement: This LA COUNTY - LADWP CUSTOMER GENERATION INTERCONNECTION AGREEMENT.
- 2.2 Authorized Representatives: The representative or designated alternate of a Party appointed in accordance with Section 14 of this Agreement.
- 2.3 Customer: LA COUNTY
- 2.4 Effective Date: As defined in Section 27 of this Agreement.
- 2.5 Electric Rate Ordinance: Ordinance No. 168436 effective on January 31, 1993, and all amendments, revisions, and replacements thereof, including the electric rate schedules adopted by ordinance of the City of Los Angeles approving the rates to be paid by Customer at the location of the Generation Facility. The Electric Rate Ordinance in effect at the time of billing shall have precedence over any definitions, rate figures, numbers or calculations that may appear in this Agreement.
- 2.6 Electric Service: As defined in the Rules.
- 2.7 Electric Service Requirements: Requirements prescribed in writing by LADWP in effect at the time this Agreement is executed, and all revisions thereto or replacements thereof, which are necessary and proper for the regulation of any Electric Service installed, operated, and maintained within the City of Los Angeles. The Electric Service Requirements shall be in conformance with the Charter of the City of Los Angeles and the Rules.
- 2.8 Energy Credit: As defined in the Electric Rate Ordinance.
- 2.9 Excess Energy: Energy generated by the Generation Facility beyond Customer's load requirements.
- 2.10 Generation Facility: All of Customer's electrical and mechanical equipment associated with the generation of electricity at Customer's location.
- 2.11 In-Service Date: The date of initial interconnection of the Generation Facility to LADWP's electric system.
- 2.12 Interconnection Costs: All reasonable costs, as determined by LADWP in accordance with Prudent Utility Practices, including, but not limited to, planning, engineering, design, supervision, material procurement, construction, quality assurance and inspection, testing, metering,

maintenance, negotiation, contract administration, protection, expediting, accounting, budgeting, and other activities reasonably necessary for the interconnection and safe parallel operation of the Generation Facility to Department's electric system.

- 2.13 LADWP Facility: Electrical and mechanical equipment required and installed, owned, operated and maintained by LADWP for the safe parallel operation of the Generation Facility. This equipment is deemed by LADWP to be appurtenant and/or incidental to the Generation Facility and will be located at the site of the Generation Facility.
- 2.14 Prudent Utility Practices: Those practices, methods, and equipment, as changed from time to time, that are commonly used in prudent engineering and operations to design and operate electric equipment lawfully and with safety, dependability, efficiency, and economy.
- 2.15 Rules: The Rules Governing Water and Electric Service in the City of Los Angeles adopted by the Board under Resolution No. 56, dated September 8, 1983, and all amendments, revisions, and replacements thereof. The latest revision at the time this Agreement is executed is dated November 1996.

3. AGREEMENT: In consideration of the terms and conditions contained herein and the mutual benefit to be derived by this Agreement, the Parties further agree as follows:

- 3.1 Customer shall purchase Electric Service, as needed solely from LADWP, in accordance with the appropriate schedule in the Electric Rate Ordinance.
- 3.2 LADWP shall purchase Excess Energy produced by the Generation Facility. Payments for Excess Energy shall be made as described in Subsection 9.2 of this Agreement.
- 3.3 Customer shall pay LADWP for all costs associated with the interconnection and safe parallel operation of the Generation Facility in accordance with the terms and conditions contained herein.

4. RESPONSIBILITIES OF THE CUSTOMER:

- 4.1 Customer shall own, at its sole risk and expense, the Generation Facility in compliance with all applicable codes, laws, Electric Service Requirements, Rules, and Prudent Utility Practices. A person or entity acting on



Customer's behalf may operate and maintain the Generation Facility in compliance with all applicable codes, laws, Electric Service Requirements, Rules, and Prudent Utility Practices. Meeting this requirement shall not relieve Customer of its obligations pursuant to the terms and conditions of this Agreement.

- 4.2 When Customer submits the executed Agreement to LADWP for execution, Customer shall also submit the following information:
  - 4.2.1 Electrical plans including load schedules and single-line diagrams.
  - 4.2.2 Plot and site development plans showing generator, disconnect, metering equipment locations and Department access to generator, disconnect and meter equipment locations.
  - 4.2.3 Energy Source Information:
    - (1) Maximum kilowatt rating
    - (2) Nominal voltage output
    - (3) Voltage regulation
    - (4) Maximum fault current contribution
  - 4.2.4 Protective system information:
    - (1) Protective system plan
    - (2) Manufacturer's data sheets and maintenance requirements for protective equipment
    - (3) Any additional information required by LADWP
- 4.3 Review by LADWP of Customer's specifications shall not be construed as confirming or endorsing the design, any warranty of safety or durability of the Generation Facility.
- 4.4 LADWP shall not, by reason of review or failure to review, be responsible for strength, details of design, adequacy or capacity of the Generation Facility or said equipment, nor shall LADWP's acceptance be deemed to be an endorsement of the Generation Facility.
- 4.5 Within thirty- (30) calendar days following the In-Service Date or at a date mutually agreed to between the Authorized Representatives, Customer shall submit in writing to LADWP's Authorized Representative that the



Generation Facility meets the standards set forth in the applicable Electric Service Requirements.

4.6 Customer shall operate and maintain the Generation Facility in accordance with the applicable Electric Service Requirements and Prudent Utility Practices.

4.7 Customer shall not energize, at any time, a de-energized portion of LADWP's electric system without express permission from LADWP's Authorized Representative.

4.8 Customer shall obtain and maintain in full force and effect appropriate insurance coverages for the Generation Facility with limits not less than those set forth in Section 12 of this Agreement.

4.9 The Parties recognize that, from time to time, certain improvements, additions, or other changes in the interconnection and protection equipment at the Generation Facility may be required for the safe parallel operation of the Generation Facility with LADWP's electric system. Such improvements, additions, or other changes shall be in accordance with Prudent Utility Practices. LADWP shall have the right to require Customer to make those changes on the Generation Facility upon reasonable advance written notice from LADWP's Authorized Representative.

4.10 Failure of Customer to comply with Section 4.9 within a reasonable period of time after receipt of such written notice may result in the Generation Facility being disconnected from LADWP's electric system pursuant to Section 7.

5. RESPONSIBILITIES OF LADWP:

5.1 LADWP shall be the sole provider of Electric Service required by Customer at the location of the Generation Facility subject to future amendments to the existing Rules. LADWP shall purchase Excess Energy from Customer.

5.2 If it is deemed necessary by LADWP to do so after evaluating the Generation Facility's plans, LADWP will design, construct, own, operate, and maintain an LADWP Facility and make any necessary modifications to LADWP's electric system for the safe operation of the Generation Facility in parallel with LADWP's electric system.

- 5.3 LADWP reserves the right to make measurements or other tests on the Generation Facility, from time to time, as specified in the Electric Service Requirements. If the measurements or tests determine that the Generation Facility does not meet the specifications of the Electric Service Requirements, LADWP will require Customer to disconnect the Generation Facility from LADWP's electric system pursuant to Subsection 7.1. Customer shall make the appropriate changes to the Generation Facility before reconnection to LADWP's electric system.
- 5.4 The Parties recognize that, from time to time, certain improvements, additions, or other changes in LADWP's electric system may be required for the safe parallel operation of the Generation Facility. Such improvements, additions, or other changes will be in accordance with Prudent Utility Practices. LADWP shall have the right to make those changes upon reasonable advance written notice from LADWP's Authorized Representative to Customer. LADWP shall bill Customer for such improvements, additions, or other changes in accordance with Subsection 8.1 of this Agreement.
- 5.5 LADWP shall have the right of ingress to and egress from Customer's premises pursuant to Section 11 of this Agreement.
- 5.6 LADWP shall bill Customer for the Customer's pro rata share of the costs incurred in the implementation of this Agreement pursuant to Section 8 of this Agreement.
6. METERING:
- 6.1 LADWP shall install, at no cost to LADWP, time-of-use metering equipment and recorders at the Service Point and at the output point of the Generation Facility, to measure electric energy and other electric parameters deemed appropriate by LADWP.
- 6.2 For Generation Facilities with nameplate ratings of at least 1,000 kW, Customer shall provide LADWP with the capability to remotely monitor the Generation Facility. LADWP shall install, at no cost to LADWP, telemetering equipment at the Service Point and at the output point of the Generation



Facility to monitor the electrical generation at LADWP's Energy Control Center.

- 6.3 On the In-Service Date, the demand, as recorded by LADWP's revenue meters at the Service Point, shall be reset to zero for billing purposes. Any demand incurred after the In-Service Date shall be used to determine the Demand Charges.
  - 6.4 LADWP meters shall be sealed with LADWP seals only. The seals shall not be broken except when the meters are inspected, tested, or adjusted by LADWP. LADWP shall test the meters, at its own expense, in accordance with its routine practice and the Rules.
  - 6.5 Customer may request testing of meters prior to their normally scheduled test dates, and LADWP shall test the meters upon request. Customer shall be given reasonable notice to have a representative present at the time of meter testing. Customer shall pay for the cost of the requested meter testing if the meters are found to be within the tolerances specified within the Rules.
  - 6.6 Disputes concerning alleged meter discrepancies shall be resolved in accordance with the Rules.
7. DISCONNECTION OF THE GENERATION FACILITY:
- 7.1 LADWP shall require Customer to disconnect the Generation Facility from LADWP's electric system if Customer does not comply with the covenants of this Agreement, the Electric Rate Schedules, the applicable Electric Service Requirements, or the Rules. LADWP's Authorized Representative shall provide Customer with thirty- (30) calendar days' written notice of such intent. In the event Customer takes prompt action to comply, and pursue such action to completion, then LADWP will take no further action.
  - 7.2 In accordance with procedures established in the Electric Service Requirements, LADWP shall require Customer to disconnect the Generation Facility immediately from LADWP's electric system if LADWP determines in good faith that an emergency and hazardous condition exists and such action is necessary to protect persons, LADWP's electric system, or other customer facilities from damage or interference caused by



Customer's electrical equipment, or to allow LADWP to repair, replace, or maintain any equipment associated with LADWP's electric system.

- 7.3 Each Party shall endeavor to correct the condition on its electric system that resulted in the separation and shall coordinate reconnection of the Generation Facility for parallel operation.
- 7.4 LADWP shall provide for reconnection of the Generation Facility to LADWP's electric system when reasonable to do so.
- 7.5 LADWP shall not be liable to Customer or any person or entity acting on Customer's behalf including, but not limited to, any agent, designee, contractor, or lessee for damages resulting from the connection or disconnection of the Generation Facility from LADWP's electric system.

8. INTERCONNECTION BILLING DETERMINANTS:

If LADWP determines after review of the Generation Facility specifications that an LADWP Facility must be constructed and modifications made to LADWP's electric system for the safe parallel operation of the Generation Facility in parallel with LADWP's electric system, then this Section 8 shall apply.

- 8.1 For each detailed cost estimate and detailed design for the LADWP Facility and modifications to LADWP's electric system, LADWP shall bill Customer a nonrefundable amount equal to ten (10) percent of the preliminary cost estimate of the Interconnection Costs. The estimate made shall be based on Generation Facility specifications, pursuant to Subsection 4.2. Upon receipt of the nonrefundable amount, LADWP shall prepare a detailed cost estimate and a detailed design in a timely manner.
- 8.2 LADWP shall bill Customer for the amount of the Interconnection Costs based on the detailed cost estimate, less the ten (10) percent previously advanced pursuant to Subsection 8.1.
- 8.3 Upon receipt of the necessary funds, LADWP shall proceed with the LADWP Facility and any necessary modifications to the electric system for the safe parallel operation of the Generation Facility.
- 8.4 If it is determined, at the completion of the LADWP Facility, that Customer has advanced funds, which are greater or less than the actual Interconnection Costs; LADWP's Authorized Representative shall make the appropriate adjustment within ninety- (90) calendar days after the In-

Service Date. Payment shall be made within thirty- (30) calendar days thereafter.

8.5 LADWP shall bill Customer monthly for maintenance service on the LADWP Facility pursuant to Exhibit C of this Agreement.

8.6 If it is determined, pursuant to Subsection 5.3 of this Agreement, that LADWP must make improvements, additions, or other changes to either the LADWP Facility or to LADWP's electric system, LADWP shall bill Customer for all costs incurred for such improvements, additions, or other changes. The Maintenance Costs determined pursuant to Exhibit C shall be adjusted to reflect changes in the LADWP Facility.

9. ELECTRIC SERVICE BILLING DETERMINATIONS:

9.1 LADWP shall bill Customer for Electric Service after the end of each billing period. The bill shall be calculated using the applicable rates in the appropriate rate schedule in the Electric Rate Ordinance and recorded billing data that shall consist of metered values deemed required by LADWP. The recorded billing data shall be obtained from LADWP revenue meters and recorders. Customer shall send the payment to the address specified in Subsection 10.2.

9.2 For Excess Energy purchased by LADWP during the just-ended billing period, LADWP shall pay Customer a dollar amount equal to the recorded amount of Excess Energy times the Standard Energy Credit. For Administrative convenience, LADWP shall deduct the dollar amount owed Customer for Excess Energy from Customer's monthly bill for electric service at the location of the Generation Facility.

10. BILLINGS AND PAYMENTS:

10.1 Billings and payments pursuant to Section 8, Interconnection Billing Determinants, shall be transmitted to the following addresses:

10.1.1 If to LADWP:

Department of Water and Power  
of the City of Los Angeles  
P. O. Box 30870, Room 434  
Los Angeles, California 90030-0870  
Attention: General Accounting



- 10.1.2 If to Customer:  
LA COUNTY, INTERNAL SERVICES DEPARTMENT  
1100 N. EASTERN AVENUE  
LOS ANGELES, CA 90063  
Attention: ROOM 300
- 10.2 Billings and payments pursuant to Section 9, Electric Service  
Determinations, shall be transmitted to the following addresses:
- 10.2.1 If to LADWP:  
Department of Water and Power  
of the City of Los Angeles  
P. O. Box 51111  
Los Angeles, California 90051-5700  
Attention: Accounts Receivable
- 10.2.2 If to Customer:  
LA COUNTY, INTERNAL SERVICES DEPARTMENT  
1100 N. EASTERN AVENUE  
LOS ANGELES, CA 90063  
Attention: ROOM 300
- 10.3 Either Party may change, by written notice to the other Party, the name or address of the person to receive invoices or payments pursuant to this Agreement.
- 10.4 All bills, except as provided otherwise in this Agreement, are due and payable upon presentation. Payment shall be made in accordance with the Rules.
- 10.5 If the correctness of any bill for Electric Service, or any part thereof, or if the correctness of other charges or practices of LADWP is disputed by Customer, LADWP shall conduct an investigation in accordance with the Rules.
11. INGRESS AND EGRESS:
- 11.1 LADWP shall have, at all times, the right of ingress to and egress from Customer's premises for the following reasons:
- 11.1.1 Any purpose related to furnishing or receiving electric energy under this Agreement.



11.1.2 In order to exercise any and all rights secured to LADWP by law, this Agreement, or the Rules.

11.2 While on Customer's premises, LADWP shall abide by Customer's safety rules and regulations.

12. INSURANCE:

12.1 Unless otherwise agreed to in writing by the Authorized Representatives, Customer or any person or entity acting on Customer's behalf including, but not limited to, any agent, designee, contractor, or lessee shall, at their own expense, maintain in effect at all times insurance coverage with limits not less than those set forth below. Such coverage may be on either an occurrence basis or a claims-made basis. Any insurance carried by LADWP, which may be applicable, shall be deemed to be excess insurance. Customer's insurance shall be deemed primary.

12.2 Coverages for Comprehensive General Liability Insurance, Premises and Operations, Contractual Liability, Products and Completed Operations, Broad Form Property Damage, Personal Injury, and, if applicable, Explosion Hazard, Collapse and Underground Hazard shall be furnished.

12.3 For Generation Facilities with a total installed nameplate rating of 100 kW or less, Customer shall provide coverage for a combined single limit of not less than \$500,000 for each occurrence or not less than \$1,000,000 for each claim.

12.4 For Generation Facilities with a total installed nameplate rating of greater than 100 kW, Customer shall provide coverage for a combined single limit of not less than \$1,000,000 for each occurrence or not less than \$2,000,000 for each claim.

12.5 Customer shall furnish LADWP's Risk Manager at the address shown in Subsection 12.6 with insurance endorsements on endorsement forms acceptable to LADWP's Risk Manager. The endorsements shall be evidence that policies providing the required coverages and limits of insurance are in full force and effect.

12.6 The insurance endorsements shall name the City of Los Angeles, the Board, LADWP, and their officers, agents, and employees, while acting within the scope of their employment, as additional insureds with the

Customer. The endorsements shall also contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving thirty (30) calendar days' written notice by registered mail to LADWP at the following address:

Department of Water and Power  
of the City of Los Angeles  
P.O. Box 51111, Room 465  
Los Angeles, California 90051-5700  
Attention: Risk Management Section

- 12.7 The foregoing insurance requirements are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by Customer under this Agreement.
- 12.8 Failure of Customer to maintain such insurance, or to provide such endorsements to LADWP when due, shall result in the disconnection of the Generation Facility from LADWP's electric system pursuant to Section 7.
- 12.9 LADWP shall not be liable to Customer or any person or entity acting on Customer's behalf including, but not limited to, any agent, designee, contractor, or lessee for damages resulting from the disconnection of the Generation Facility from LADWP's electric system.

13. INDEMNIFICATION:

- 13.1 In the performance of this Agreement, and for all periods where Customer operates or has operated a generation source electrically connected to LADWP's electric system, Customer shall indemnify, defend, and hold harmless the City of Los Angeles, the Board, LADWP, and their officers, agents, and employees from and against any and all liability, costs, losses, claims, demands, actions and causes of action, for damages to the person or property of any person or entity, including the Parties to this Agreement, attributable to, in whole or in part, or resulting from the actions or omissions of Customer or any person or entity acting on Customer's behalf including, but not limited to, any agent, designee, contractor, or lessee.
- 13.2 LADWP shall not be indemnified under this Section 13 for liability or loss resulting from its sole negligence or willful misconduct.



14. ADMINISTRATION:

- 14.1 Within thirty- (30) calendar days after the effective date of this Agreement, Customer and LADWP's Director of Power System Operations and Maintenance or designee shall each designate, by written notice to the other, a representative who is authorized to act in each Party's behalf with respect to those matters delegated to the Authorized Representatives. Each Party may delegate an authorized alternate with full authority to act in the absence of the Authorized Representative. Each Party shall have the right to change its Authorized Representative or authorized alternate by written notice to the other Party.
- 14.2 The Authorized Representatives shall provide liaison between the Parties and a means of securing effective cooperation, interchange of information, and consultation on a prompt and orderly basis concerning the various matters that may arise, from time to time, in connection with this Agreement.
- 14.3 The Authorized Representatives shall review and attempt to resolve any disputes between the Parties under this Agreement. Should the Authorized Representatives be unable to resolve a dispute, the matter shall be referred to Customer and LADWP's Director of Power System Operations and Maintenance who shall use their best efforts for resolution.
- 14.4 Prior to the In-Service Date, the Authorized Representatives shall agree on written procedures pertaining to the synchronization, operation, maintenance, administration, and other activities that may require coordination between the Parties.
- 14.5 All actions, agreements, resolutions, determinations, or reports made by the Authorized Representatives shall be made in writing and shall become effective when signed by the Authorized Representatives.
- 14.6 Any expenses incurred by an Authorized Representative or authorized alternate in connection with their duties shall be paid by the Party they represent unless otherwise agreed to in writing by Customer and LADWP's Director of Power System Operations and Maintenance.
- 14.7 The Authorized Representatives shall have no authority to modify this Agreement.



15. DEFAULT:

- 15.1 Default by Customer: The occurrence of any of the following shall constitute a material breach and default of this Agreement by Customer:
- 15.1.1 Failure by Customer to make payment to LADWP of uncontested amounts within the time set forth in Section 10 herein; or
  - 15.1.2 Failure by Customer to comply with requirements pertaining to the safety of persons or property set forth herein, in the Electric Rate Schedules, or in the applicable Electric Service Requirements; or
  - 15.1.3 Failure by Customer to substantially observe and perform any other material provision of this Agreement where such failure continues for thirty (30) calendar days after receipt by Customer of written notice from LADWP. Provided, however, that if the nature of such default is curable, but that the same cannot with due diligence be cured within the thirty (30) calendar day period Customer shall not be deemed to be in default if it shall within the thirty (30) calendar day period commence to cure the default and, thereafter, diligently prosecute the same to completion.
- 15.2 Default by LADWP: Failure by LADWP to substantially observe and perform any material provision required by this Agreement, where such failure continues for thirty (30) calendar days after receipt of written notice from Customer, shall constitute a material breach and default by LADWP of this Agreement. Provided, however, that if the nature of such default is curable, but that the same cannot with due diligence be cured within the thirty (30) calendar day period LADWP shall not be deemed to be in default if it shall within the thirty (30) calendar day period commence to cure the default and, thereafter, diligently prosecute the same to completion.

16. REMEDIES UPON DEFAULT: Each party shall be entitled to money damages according to proof of actual damages resulting from default of the other and, in addition, each party shall have the right to terminate this Agreement upon the

occurrence of any of the events of default described in Section 15. In no event shall incidental or consequential damages be payable.

17. FORCE MAJEURE: Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement (other than obligations of said Party to make payments due) if failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" shall mean any cause beyond the control of the Party affected, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or nonaction by or inability to obtain authorizations or approvals from any governmental agency or authority, which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. Either Party rendered unable to fulfill any obligation under this agreement by reason of uncontrollable force shall give prompt notice of such fact to the other Party and shall exercise due diligence to remove any inability with all reasonable dispatch.
18. AUTHORIZATIONS AND APPROVALS:
- 18.1 Each Party shall obtain all the necessary authorizations, licenses, approvals, and permits from Federal, State, or local agencies having jurisdiction.
- 18.2 This Agreement and all operations hereunder are subject to the applicable laws, ordinances, orders, rules, and regulations of local, State, and Federal governmental authority having jurisdiction.
19. EFFECT OF SECTION HEADINGS: Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.
20. NONWAIVER: None of the provisions of this Agreement shall be deemed waived unless expressly waived in writing. Any omission or failure of either Party to demand or enforce strict performance of provisions of the Agreement shall not be construed as a waiver or as a relinquishment of any rights. All provisions and rights shall continue and remain in full force and effect as if such omission or failure had not occurred.



21. NONDEDICATION OF FACILITIES: This Agreement shall not be construed as a dedication of any properties or facilities, or any portion thereon, by either Party to each other or the public.
22. NO THIRD-PARTY BENEFICIARIES: This Agreement is for the sole benefit of the Parties hereto and shall not be construed as granting rights to any person or entity other than the Parties or imposing on either Party obligations to any person other than a Party.
23. NOTICES:
- 23.1 Any written notice under this Agreement shall be deemed properly given if delivered in person or sent by registered or certified mail, postage prepaid, to the person specified below unless otherwise provided for in this Agreement:
- 23.1.1 If to LADWP:  
Department of Water and Power  
of the City of Los Angeles  
P. O. Box 51111, Room 951  
Los Angeles, California 90051-5700  
Attention: Director of  
Power System Operations and Maintenance
- 23.1.2 If to Customer:  
COUNTY OF LA, INTERNAL SERVICES DEPARTMENT  
1100 N. EASTERN AVENUE  
LOS ANGELES, CA 90063  
Attention: MANAGER, ENERGY MANAGEMENT DIVISION
- 23.2 Either Party may, by written notice to the other Party, change the name or address of the person to receive notices pursuant to this Agreement.
24. TRANSFER OF INTEREST: Neither Party shall assign or transfer this Agreement, in whole or in part, without the prior written consent of the other Party. The consent to assign or transfer shall not be unreasonably withheld. LADWP's Director of Power System Operations and Maintenance or designee shall execute assignment or transfer of this Agreement or the consent to assign or transfer this Agreement.
25. SEVERAL OBLIGATIONS: The duties, obligations, and liabilities of the Parties are several and not joint or collective. Nothing contained in this Agreement shall be



construed to create an association, trust, partnership, or joint venture or to impose a trust, partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

26. SEVERANCE: If any paragraph, sentence, clause, phrase, or word shall become without full effect due to any judicial decision, the balance of this Agreement shall remain in full force and effect provided that the purposes of this Agreement can still be fulfilled.

27. EFFECTIVE DATE AND TERM:

27.1 This Agreement shall become effective upon the date of execution by the Parties.

27.2 This Agreement terminates thirty-six (36) months from the Effective Date.

27.3 Upon the date of termination of this Agreement all rights to services provided hereunder shall cease and neither Party shall claim or assert any continuing right to such services hereunder. However, such termination shall not affect the rights and obligations to pay money for transactions occurring prior to termination. Such termination shall not end indemnification, pursuant to Section 13, provided to LADWP by Customer for periods where customer operates or has operated a generation source electrically connected to LADWP's electric system.

28. GOVERNING LAW: This Agreement shall be interpreted in accordance with the Charter of the City of Los Angeles, as amended, the laws of the State of California, and all applicable Federal laws, rules, and regulations. Any lawsuit relating to this Agreement shall be filed in the County of Los Angeles.

29. CHILD SUPPORT ASSIGNMENT ORDERS:

29.1 This Agreement is subject to Section 10.10, Article 1, Chapter 1, division 10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Customer is required to complete a Certificate of Compliance with Child Support Obligations, which is attached as Exhibit D and incorporated herein by this reference. Pursuant to this ordinance, Customer shall:

29.1.1 Fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders;

- 29.1.2 Certify that the principal owner(s) of Customer are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally;
  - 29.1.3 Fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family code section 5230, et seq.; and
  - 29.1.4 Maintain such compliance throughout the term of this Agreement.
- 29.2 Pursuant to Section 10.10b of the Los Angeles Administrative Code, failure of Customer to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Customer to comply with any Wage and earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by Customer under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ninety (90) calendar days after notice of such failure to Customer by City.
- 29.3 Any subcontract entered into by Customer relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of Customer to obtain compliance of its subcontractors shall constitute a default by Licensee under the terms of this Agreement, subjecting this Agreement to termination where such failure shall continue for more than ninety- (90) calendar days after notice of such failure to Customer by the City.
- 29.4 Customer shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. Customer assures that to the best of its knowledge it is fully complying with the earnings assignment orders for all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

30. UNDERSTANDING: This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof; and there are no other promises, terms, conditions, obligations, understandings, or agreements between the Parties with respect thereto. This Agreement supersedes all previous communications, representations, understandings, and agreements, either oral or written, between the Parties with respect to the subject matter hereof.
31. REPRESENTATION: Each Party has been represented by legal counsel in the negotiation and execution of this Agreement.
32. EXHIBITS: Exhibits A through D attached hereto are incorporated herein by this reference.



33. EXECUTION: IN WITNESS WHEREOF, the signatories hereto represent that they have been appropriately authorized to enter into this LA COUNTY - LADWP Customer Generation Interconnection Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed on the day and year written below.

LA COUNTY  
(Customer)

By:

Name (Signature): \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By:

Name (Signature): \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Resolution No. 006-053  
Date: October 4, 2005

EXHIBIT A

CUSTOMER GENERATION DATA SHEETS

Facility Name: OLIVE VIEW POWER PLANT

Address: 14445 OLIVE VIEW DRIVE

SYLMAR, CA 91342

Owner/Company: LOS ANGELES COUNTY

Contact Person: DAVE ADAMS

Phone: 818-364-3091

Primary Product/Service of Facility: HEATING AND COOLING

Unit Start-Up Date: JULY 1, 1985

SYSTEM CHARACTERISTICS

Capacities: Nameplate Rating  $2890 \times 2 = 5780$  kW

Thermal 39,000,000 BTU/Hr                      279,888 HTHW lbs./Hr

Operations Schedule: 24 hours/day                      365 days/year

Typical Daily Profile, O = On and X = Off

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 Control Mode:

INTERCONNECTION WITH LADWP

\_\_\_\_\_ Isolated, no connection to power grid

\_\_\_O\_\_\_ Parallel, connected to grid to purchase power

\_\_\_\_\_ Parallel, connected to grid, Utility owned or operated

\_\_\_\_\_ Electric Load including planned expansions



GENERATION FACILITY DESCRIPTION

Schematic Diagram

SEE ATTACHED

Written Description

SEE ATTACHED

(Use additional pages if necessary)

### ANNUAL PLAN PRODUCTION/USE CHARACTERISTICS

OUTPUT:	Electric	25,316,400	kWh
	Thermal	0.340704	Billion BTUs
	Mechanical	3,874	HP-hr
CONSUMPTION:	Electric	3,900,000	kWh
	Thermal	13,310.7	MM BTUs
PEAK DEMAND:	Electric	1,200	kW
	Thermal	4.096	MM BTUs/hr
System Efficiency		42.62	percent
Net Heat Rate		13,136	BTU/kWh

<u>Fuel Type</u>	<u>Amount Used</u>
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NB-NATURAL GAS	270,000 MMBTUs
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### ECONOMIC CHARACTERISTICS

Capital Costs: \$3,500,000                      O&M Costs: 500,000 \$/year

Fuel Costs: 2,500,000 \$/year

Cost of Generated Electricity: 5.7 cents/kWh

FOR LADWP USE ONLY:

ACCOUNT REPRESENTATIVE \_\_\_\_\_

IS No. \_\_\_\_\_ VOLTAGE CONNECTION \_\_\_\_\_



## EXHIBIT B

### SINGLE-LINE DIAGRAM AND EQUIPMENT LIST FOR THE LADWP FACILITY

If the LADWP Facility is constructed, a Single-Line Diagram and Equipment List for the LADWP Facility will be attached to this Agreement after the LADWP Facility has been designed and constructed. LADWP's Authorized Representative will provide a copy of Exhibit B for Customer's files.

## EXHIBIT C

### MONTHLY CHARGE FOR MAINTENANCE SERVICE

If the LADWP Facility is constructed, the monthly charge for maintenance service on the LADWP Facility shall be based on the purchase price of all equipment installed at the LADWP Facility necessary for the safe, parallel operation of the Customer Generation Facility.

Initially, the monthly charge will be equal to one-half (1/2) percent per month of the estimated cost of such equipment. The monthly maintenance service charge shall begin on the first day of the first month following the In-Service Date of the LADWP Facility. If the In-Service Date does not fall on the first of the month, the first monthly bill shall be prorated to include the partial month, plus the normal monthly payment. For minimal cost projects, the monthly charge for maintenance service may be billed on a quarterly, semi-annual, or annual basis for the preceding three (3), six (6), or twelve (12) months.

When the actual costs for the LADWP Facility equipment have been determined, the monthly maintenance service charge shall be adjusted to reflect the true cost of the equipment. Adjustments to the monthly charge will also be made whenever equipment is removed or installed pursuant to Subsection 8.4 herein.

The monthly charge for maintenance service shall be adjusted annually by LADWP for inflation. Such adjustments shall be equal to the current monthly charge times the sum of one (1) plus the Consumer Price Index (CPI) for the Los Angeles area. Adjustments shall become effective January 1 of the first year following the Effective Date. Inflation adjustments shall be made as soon as the CPI information becomes available.



EXHIBIT D

CERTIFICATION OF COMPLIANCE  
WITH CHILD SUPPORT OBLIGATIONS

The Undersigned hereby agrees that LA COUNTY will:  
Name of Business

1. Fully comply with all applicable State and Federal employment reporting requirements for its employees.
2. Fully comply with and implement all lawfully served Wages and Earnings Assignment Orders and Notices of Assignment.
3. Certify that the principal owner(s) of the business are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally.
4. Certify that the business will maintain compliance with Child Support Obligations Ordinance provisions.

I declare under penalty of perjury that the foregoing is true and was executed at:

Los Angeles, California  
City/County/State

\_\_\_\_\_  
Date

☒ Please check if company has already submitted to DWP  
certification relative to Child Support Obligations Ordinance.

\_\_\_\_\_  
Name of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Signature of Authorized Officer or Representative

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number